

Mid South Health Care Network- VISN 9 - Market Plan Alternative

Current environment

The Lexington, KY VA Medical Center (VAMC) is comprised of two divisions, Cooper Drive and Leestown Road.

Cooper Drive is adjacent to the University of Kentucky campus with the VA property connected by corridor to the University of Kentucky Medical Center. Cooper Drive is in good structural condition and the facility functions as an effective acute inpatient 24-hour seven day a week facility that could accommodate nursing home care patients with new construction and renovation. The area in and around the medical center is heavily trafficked and highly congested. Limited parking is a significant concern.

The Leestown Road Division is located approximately five miles from the Cooper Drive facility on an expansive 135 acres. The current configuration of Leestown Rd.'s building infrastructure is not conducive to efficient outpatient or inpatient healthcare delivery and is not conducive for the delivery of long-term care services. Discussions with Eastern State Hospital and the Kentucky Department of Veterans Affairs are underway for possible multiple enhanced-use opportunities among existing buildings.

Summarize in a table operating beds, outpatient visits by major category

	Lexington Baseline Beds/Sops 2001 Cooper	Lexington Baseline Beds/Sops 2001 Leestown	Combined Campus Workload Lexington 2001	Lexington Projected BDOC/Stops 2012 (Cooper)	Lexington Projected BDOC/Stops 2012 Leestown	Combined Campus Workload Lexington 2012	Lexington Projected BDOC 2022 Cooper	Lexington Projected BDOC 2022 Leestown	Combined Campus Workload Lexington 2020
Medicine	17,222	218	17,440	24,033	218	24,251	18,509	0	18,509
Surgical	7,911	42	7,953	11,395	9	11,404	8,697	0	8,697
Psychiatry	5,560	0	5,560	11,515	0	11,515	8,740	0	8,740
NHCU	0	76,545	76,545	0	76,632	76,632	0	76,632	76,632
Ancillary /Diagnostic	124,173	29,442	153,615	138,172	27,543	165,715	126,911	25,026	151,937
Primary Care	59,161	30,199	89,360	90,542	28,755	119,297	74,370	23,431	97,801
Specialty Care	76,797	9,880	86,677	100,835	29,458	130,293	86,846	25,494	112,340
Mental Health	1,434	22,213	23,647	16,280	30,652	46,932	12,895	24,482	37,377

Workload for the Lexington VAMC shows increased demand through 2012 in all inpatient and outpatient areas. There is some decrease in demand between 2012 and 2022 in all cases, except ancillary/diagnostics, however the workload in 2022 is greater than the base year.

Summary Proposed Realignment

All care directly provided by VA would be consolidated to the Cooper Drive Division. This entails relocation of functions currently located at the Leestown Rd. Division to be moved to the Cooper Dr. Division and reconfigured. Included in the relocation would be 1) the 61 bed NHCU currently located at Leestown, 2) food production activities, 3) outpatient primary care and mental health programs, 4) administrative functions, and 4) engineering and facility support functions. Accommodation of this re-alignment would require activation of new outpatient community based clinics at Berea, Morehead and Hazard, Kentucky.

Recommended Option

Consolidate all services that are directly delivered by the Lexington VAMC to the Cooper Dr. Division.

Develop a major construction project to both build new space and renovate existing space increasing Cooper Dr. space by two additional floors and a potential 800-space parking facility.

Discontinue all VA health care services provided at the Leestown Rd. Division.

Pursue Enhanced Use opportunities for facilities at Leestown, demolish and/or divest buildings that cannot be utilized.

Based on space constraints at Cooper Dr., access requirements, and projected service demand, the realignment proposes new community based outpatient clinics (CBOC's) at Morehead, Berea and Hazard as well as minor expansion of the existing Somerset CBOC.

Acute psychiatry services will be provided at Cooper Dr., or through collaborations with Eastern State Hospital.

Approximately 12% of projected acute medicine and surgery workload is located in overlapping counties that are contained in both Lexington and Louisville's catchment areas. It is proposed that the additional workload be and absorbed at Cooper Drive with new construction.

There is potential to utilize an Enhanced Use agreement with Eastern State Hospital for Lexington's acute and chronic inpatient psychiatry services.

Outpatient Specialty and Ancillary/Diagnostic services would be maintained primarily at the Cooper Dr. division, with small capacity at Somerset to support projected primary care demand.

Major construction would be used to renovate and add space at the Cooper Dr. Division to accommodate moving 60 NHCU beds, food service operations and current outpatient operations from Leestown Rd. to Cooper Dr.

Dependent on final facility configuration, movement of Outpatient Primary Care and Mental Health programs to, proposed and existing, CBOC's may negate some need for additional parking capacity at Cooper Dr.

Long Term Psychiatry demand for the Lexington and Louisville market areas will be addressed with exploration of the development of an Enhanced Use agreement with the Commonwealth of Kentucky to lease vacant building for use by Eastern State Hospital.

Research and affiliated educational programs would continue at Cooper Dr.

Outcome

Consolidation of all directly provided health care services delivered by the Lexington VAMC to the Cooper Drive Division.

Discontinuance of all VA operations at the Leestown Division.

Development of a major construction project to build and renovate existing space and add additional space and parking at Cooper Drive.

Improved access to care by development of Community Based Outpatient Clinics at Berea, Morehead and Hazard.

Enhanced Use development of the Leestown Road Division and demolition or divestiture of unused buildings of the Leestown Road Division.

VISN 9 considered multiple scenarios for realigning resources in the Lexington service area that are consistent with the stated objections. All alternatives considered included, but were not dependent on, potential Enhanced Use arrangements with the Commonwealth of Kentucky, Eastern State Hospital and the Kentucky Department of Veteran Affairs.

Calculations of outpatient clinical space requirements for Lexington's Cooper Drive Division are predicated on workload being offloaded to new access points in Berea, Hazard, and Morehead. If the new access points are not initiated, then sizing of Cooper Drive facilities and operations will need to be increased. Ultimately, the demand for clinical services, the decision to directly provide specific services in-house, and the decision to open new access points will drive the requirement for space and FTEE.

Will care be available in the community if it is proposed?

Review of the health care environment in the Lexington market area reveals that there is inpatient medicine and surgery capacity in the Lexington area. The majority of the market is rural and specialty and mental health services are limited or non-existent but there is some primary care capacity. Calculations of outpatient clinical space requirements for Lexington are predicated on workload being offloaded to new CBOC's in Berea, Hazard, Morehead and the existing Somerset CBOC. If the new access points are not initiated, sizing of Cooper Drive facilities and operations will need to be increased.

Ultimately, the demand for clinical services, the decision to directly provide specific services in-house, and the decision to open new access points will drive the requirement for space and resources at Cooper Drive.

Excess acute bed demand would be contracted through a competitive bid process within the Lexington metropolitan area and outlying communities with high category 1-6 enrollee density. "Community" is inclusive of other healthcare delivery systems outside VHA including affiliate organizations.

Full service regional medical centers are located in each proposed and existing access point. The following table identifies available medical assets in outlying areas.

ACCESS POINT	MEDICAL CENTER
Somerset	Lake Cumberland Regional Hospital
Hazard	Appalachian Region Healthcare System
Berea	Berea Hospital
Morehead	St. Claire Regional Medical Center

How much additional space will be needed to be constructed?

Alternate # 1	Receiving Facility: Lexington-Cooper Drive							
Workload or Space Category	% to be transferred	Lexington, Leestown Workload at Peak Year	Year of Workload Peak	Total (% x Peak)	% Contracted Out	Remaining Workload	Space Driver (Cooper Dr.)	Additional SF Needed for Peak
Inpatient Medicine	100%	101	2004	101	0%	101	2.079	210
Inpatient Surgery	100%	6	2003	6	0%	6	1.664	9
Inpatient Psych				0		0	1.958	0
Inpatient Dom				0		0	1.253	0
Inpatient NHC	100%	76,545	All Years	76,545	75%	19,136	1.785	34,158
Inpatient PRRT				0		0	4.764	0
Inpatient SCI				0		0	4.334	0
Inpatient BRC				0		0	4.215	0
Outpatient Primary Care	20%	30,491	2007	6,098	0%	6,098	0.502	3,061
Outpatient Specialty Care	100%	30,551	2008	30,551	25%	22,913	1.097	25,136
Outpatient Mental Health	30%	34,205	2006	10,262	0%	10,262	0.827	8,486
Ancillary & Diagnostics	100%	28,079	2010	28,079	0%	28,079	0.639	17,942

Alternate # 1	Receiving Facility: Morehead CBOC							
Workload or Space Category	% to be transferred	Lexington, Leestown Workload at Peak Year	Year of Workload Peak	Total (% x Peak)	% Contracted Out	Remaining Workload	Space Driver (Leestown)	Additional SF Needed for Peak
Inpatient Medicine		101	2004	0		0	2.079	0
Inpatient Surgery		6	2003	0		0	1.664	0
Inpatient Psych		-	0	0		0	1.625	0
Inpatient Dom		-	0	0		0	1.253	0
Inpatient NHC		76,545	All Years	0		0	1.785	0
Inpatient PRRT		-	0	0		0	4.764	0
Inpatient SCI		-	0	0		0	4.334	0
Inpatient BRC		-	0	0		0	4.215	0
Outpatient Primary Care	25%	30,491	2007	7,623	0%	7,623	0.502	3,827

Outpatient Specialty Care		30,551	2008	0		0	1.646	0
Outpatient Mental Health	25%	34,205	2006	8,551	0%	8,551	0.827	7,072
Ancillary & Diagnostics		28,079	2010	0		0	0.959	0

Alternate # 1 Receiving Facility: Berea CBOC								
Workload or Space Category	% to be transferred	Lexington, Leestown Workload at Peak Year	Year of Workload Peak	Total (% x Peak)	% Contracted Out	Remaining Workload	Space Driver (Leestown)	Additional SF Needed for Peak
Inpatient Medicine		101	2004	0		0	2.079	0
Inpatient Surgery		6	2003	0		0	1.664	0
Inpatient Psych		-	0	0		0	1.625	0
Inpatient Dom		-	0	0		0	1.253	0
Inpatient NHCU		76,545	All Years	0		0	1.785	0
Inpatient PRRT		-	0	0		0	4.764	0
Inpatient SCI		-	0	0		0	4.334	0
Inpatient BRC		-	0	0		0	4.215	0
Outpatient Primary Care	30%	30,491	2007	9,147	0%	9,147	0.502	4,592
Outpatient Specialty Care	0%	30,551	2008	0	0%	0	1.646	0
Outpatient Mental Health	30%	34,205	2006	10,262	0%	10,262	0.827	8,486
Ancillary & Diagnostics	0%	28,079	2010	0	0%	0	0.959	0

Alternate # 1 Receiving Facility: Hazard CBOC								
Workload or Space Category	% to be transferred	Lexington, Leestown Workload at Peak Year	Year of Workload Peak	Total (% x Peak)	% Contracted Out	Remaining Workload	Space Driver (Huntington)	Additional SF Needed for Peak
Inpatient Medicine		101	2004	0		0	2.079	0
Inpatient Surgery		6	2003	0		0	1.857	0
Inpatient Psych		-	0	0		0	1.625	0
Inpatient Dom		-	0	0		0	1.253	0
Inpatient NHCU		76,545	All Years	0		0	2.678	0
Inpatient PRRT		-	0	0		0	4.764	0
Inpatient SCI		-	0	0		0	4.334	0
Inpatient BRC		-	0	0		0	4.215	0
Outpatient Primary Care	25%	30,491	2007	7,623	100%	0	0.502	0
Outpatient Specialty Care	15%	30,551	2008	4,583	100%	0	1.433	0
Outpatient Mental Health	0%	34,205	2006	0	0%	0	0.827	0
Ancillary & Diagnostics	0%	28,079	2010	0	0%	0	0.639	0

Consolidated Lexington Space Demands Table

	Alt 1 Cooper Space Need	Alt 1 Leestown Space Need	Alt 1 Somerset Space Need	Alt 1 New CBOC Space
Ancillary/Diagnostic	17,942 sq. ft.	0	0	0
Mental Health	8,486 sq. ft.	0	753	5,268
Primary Care	3,061 sq. ft.	0	2,402	8,167

Specialty Care	25,136 sq. ft.	0	0	0
Parking	800 spaces	0	0	0
Outpatient Total	54,625 sq. ft.	0	3,155	13,435
Medicine	16,893 sq. ft.	0	0	0
Surgical	9,675 sq.ft.	0	0	0
Psychiatry	14,064 sq. ft.	0	0	0
Nursing Home Care	34,158 sq. ft.	0	0	0
Inpatient Totals	40,395 sq. ft.	0	0	0

What is the impact on travel time?

Impact on travel times are noted in the analysis section and are minimal and primarily in the areas of specialty outpatient services and nursing home care. Specific impact on NHCU care will continue to be addressed through community based contracts. Given the rural nature of the Lexington market area, specialty care demands will be primarily addressed at the Cooper Drive Division. Majority of outpatient specialty, ancillary/diagnostic and primary care services are currently provided at Cooper Drive and some mental health outpatient services would be moved from Leestown Rd. to Cooper Dr. but overall impact is minimal given a five-mile distance between the two facilities.

What is the impact on quality?

There will be improvements in the efficiency of services provided with the consolidation of inpatient services at a single campus, increased opportunity for support by medical specialties, decreased time to see nursing home care patients referred to medicine and surgery, transportation of patients between the two divisions (either to or from the NHCU) and inpatient medicine and surgery areas would be eliminated. The majority of outpatient specialty, ancillary/diagnostic and primary care services are currently provided at Cooper Drive and consolidation of mental health outpatient services would allow for improved coordination of care among services, which would be physically located on the same campus.

What is the impact on the community?

Communities immediately impacted would be those where community based outpatient clinics are opened. Impact should be positive from a service and economic level. Service will improve as a result of improved access, less travel time and facilitated access for referral services. The economic impact on community is associated with lease of CBOC facilities, introduction of health care staff within the community and local contractual arrangements for emergency - and in some instances - ancillary health care services. Development of a major capital project at the Cooper Drive Division will have some positive economic impact.

What is the impact on staffing?

There is no overall diminishment of services given that the market is showing increased demand for services. Some staff functions currently located at Leestown Rd. will be required to travel the additional five miles to Cooper Dr. Additional staffing resources will be

required for proposed VA staffed Community Based Clinics and to meet increasing service demands.

What is the impact on research and academic affiliations?

Positive to neutral impact in alignment of inpatient acute and nursing home care services as well as all outpatient functions located in the same building. This will allow for increased educational opportunities as well as research and education collaborations in continuity of care.

Describe the cost effectiveness of the proposal i.e. the costs, savings and the payback period.

The current service delivery options results in two 24-hour / 7-day a week operations approximately five miles apart, duplication of support and facilities management functions, maintenance of numerous inefficient buildings on the Leestown Rd. campus that date back to the 1930's and 40's. Estimates of additional infrastructure cost to maintain dual campus operations are approximately \$3 million annually. Additional clinical service efficiencies should be realized by consolidating all operations to one campus and locating nursing home care beds in the same building as the acute inpatient operations. The capital cost associated with this option will address both the space required to address the projected additional workload demand in the Lexington market as well as a portion of the \$8 million of required facility corrections noted in the CARES review by AEW.

Capital offsets include reduction of the annual operating cost of Leestown of at least \$3 million annually, revenue generation from Enhanced Use of \$3 million annually and potential for clinical and administrative efficiencies of an estimated \$200,000 and \$400,000. Some non-recurring capital, additional capital expenditures for equipment, furnishings and supplies will be required. Actual payback will be dependent on final design and construction factors as well as negotiation of Enhanced Use leases.

Briefly describe each of the other alternatives considered and the rationale for not selecting them based upon the analysis of the questions listed.

Five alternatives were considered - of which two were felt to be most viable - and the final recommendation was based on cost and service consideration advantages of one alternative.

Alternatives Considered: Status Quo. Given the Lexington market is showing significant projected future demand as well as historic growth, this alternative fails to meet facility, infrastructure and resource requirements to meet projected service delivery needs. Existing infrastructure, particularly at the Leestown Rd. campus is inefficient and infrastructure maintenance is resource intensive. Infrastructure at the Cooper Dr. campus is landlocked, additionally, current inadequate parking is a significant limiting factor to meeting additional demand as are congested service delivery areas and overall facility access. Diversion of resources that could be directed to addressing increasing patient demand and quality have historically, and are currently, identified as a result of the 24-hour 7-day a week operations on two distinct campuses with inefficient infrastructures.

Alternative Considered: Original Market Plan. The initial market plan identified the consolidation of all primary care, mental health, specialty and ancillary/diagnostic outpatient services at the Leestown Rd. division and a mix of delivery options of inpatient acute and long-term care beds between contracting for services in the community and movement of common catchment area demand to the Louisville VAMC. Increased reliance on community-based outpatient clinics for Primary Care and Mental Health services was a significant element of this option. Divestiture of the Cooper Dr. Division and development of Enhanced Use arrangements could include provision of inpatient psychiatry services provided by the Commonwealth of Kentucky and Eastern State Hospital. Demolition and/or divestiture of unused facilities on the Leestown Rd. campus and development of a major project for construction of an efficient ambulatory care facility were also considered.

A third alternative was the National CARES initiative and consisted of new construction of two floors and an 800-space parking facility at Cooper Drive and divestiture of the Leestown Rd. Division. National plan reads: "Current services for outpatient and nursing home care will be transferred to Cooper Drive campus, as space is available. Due to possible space limitations at Cooper Drive it may be necessary to relocate some outpatient primary care and mental health services to alternative locations other than Cooper Drive. VA will no longer operate health care services at this campus. The campus will be evaluated for alternative uses to benefit veterans such as enhanced use leasing for an assisted living facility. Any revenues or in-kind services will remain in the VISN to invest in local services for veterans. Enhanced Use opportunities for the majority of the Leestown campus appear to exist with Eastern State Hospital".

VISN Alternative explored re-alignment of both divisions of the Lexington VAMC with movement of acute inpatient, nursing home care and all 24-hour 7-day a week operations to the Cooper Drive Division and development of a 5-day a week ambulatory care operation at the Leestown Rd. Division. The essence of this plan is taking critical elements from the original market plan and the proposed national plan. This alternative requires minor renovation at Cooper Drive and negates requirement for additional parking. Inpatient psychiatry would continue at Cooper Drive with consideration to enhanced use opportunities related to Eastern State Hospital. Required would be the development of a major Ambulatory Care center project for the Leestown division to incorporate consolidation of outpatient primary care and mental health services with some minor supporting ancillary/diagnostic outpatient capacity at Leestown. Long-term chronic psychiatry demand and some acute inpatient demand located in common catchments areas would, predicated on a new construction be included at Cooper Drive. Enhanced Use opportunities would be pursued for the Leestown Rd. Division and unused facilities would be demolished or divested.

A fifth alternative was considered but not fully developed because of significant issues related to long-term care regulations, and Millennium Bill efforts underway to refine the long term care planning model. This option consisted of contracting all long-term care; closing the current 61-bed nursing home care facility on the Leestown Campus; as well as contracting out the projected excess demand for specialty care. This would result in closure of directly provided operations at Leestown Rd., minor projects for renovation of additional space requirements at Cooper Dr., significant reliance on community contracts,

implementation of all previously proposed community based clinics, and heavy reliance on Louisville VAMC for inpatient and chronic psychiatry services.

Analysis.

Description of current programs and services environment

The Lexington VAMC is a two-division tertiary level medical center that provides an array of acute and extended care services. Acute medical, neurological, surgical, psychiatry and rehabilitation medicine services are provided at Cooper Drive Division located adjacent to the University of Kentucky Medical Center. The facility condition of Cooper Drive is good and currently serves as an effective acute inpatient 24-hour, 7-day a week facility and can accommodate nursing home care patients upon renovation. The area in and around the medical center is highly congested and limited parking is a significant issue. The Leestown Rd. Division, five miles from Cooper Drive, is located on expansive acreage (135 acres) and offers nursing home care (which includes hospice and respite services) as well as primary care and several outpatient mental health modalities (including substance abuse treatment). While some tertiary level services are provided there are no special emphasis programs, SCI, TBI, Blind Rehab, programs. The Leestown Rd. Division has numerous historic buildings, 11 vacant buildings and overall facility condition scores are low to average. The Lexington VA Medical Center also operates a community-based clinic in Somerset Kentucky.

The Lexington VA Medical Center is located in Kentucky's second largest city with an estimated population of 215,000. The medical center serves a predominantly rural population spread throughout central and eastern Kentucky and adjoining parts of Indiana, Ohio, West Virginia and Tennessee.

Indicate which VAMC would receive the transferred workload including the use of contracted care.

Lexington Option 1

Tranferring Facility Name	Workload or Space Category	2001 ADC	Baseline Wkld (BDOC, stops)	2012 Projected Wkld (beds, stops)	2022 Projected Wkld (beds, stops)	% to be transferred	Year to begin transfer	Receiving Facility Name	Receiving Facility % contracted out
Leestown	Inpatient Medicine	0	218	0	0	100%	2006	Cooper Drive	0%
Leestown	Inpatient Surgery	0	42	0	0	100%	2006	Cooper Drive	0%
Leestown	Inpatient Psych	0	0	0	0	0%	0	0	0%
Leestown	Inpatient Dom	0	0	0	0	0%	0	0	0%
Leestown	Inpatient NHCU	53	76,545	221	221	100%	2006	Cooper Drive	75%
Leestown	Inpatient PR RTP	0	0	0	0	0%	0	0	0%
Leestown	Inpatient SCI	0	0	0	0	0%	0	0	0%
Leestown	Inpatient BRC	0	0	0	0	0%	0	0	0%
Leestown	Outpatient Primary Care	-	30,199	28,755	23,431	25%	2004	Morehead CBOC	0%
Leestown	Outpatient Primary Care	-	30,199	28,755	23,431	30%	2007	Berea CBOC	0%
Leestown	Outpatient Primary Care	-	30,199	28,755	23,431	25%	2004	Hazard CBOC	100%
Leestown	Outpatient Primary Care	-	30,199	28,755	23,431	20%	2005	Cooper Drive OPC	0%
Leestown	Outpatient Specialty Care	-	9,880	29,458	25,494	100%	2006	Cooper Drive OPC	25%
Leestown	Outpatient Mental Health	-	22,213	30,652	24,482	25%	2005	Morehead CBOC	0%

Leestown	Outpatient Mental Health	-	22,213	30,652	24,482	30%	2007	Berea CBOC	0%
Leestown	Outpatient Mental Health	-	22,213	30,652	24,482	15%	2004	Hazard CBOC	100%
Leestown	Outpatient Mental Health	-	22,213	30,652	24,482	30%	2005	Cooper Drive OPC	0%
Leestown	Ancillary & Diagnostics	-	29,442	27,543	25,026	100%	2006	Cooper Drive OPC	0%
Cooper Drive	Inpatient Medicine		17,222	77	59	0%	0		
Cooper Drive	Inpatient Surgery		7,911	37	28	0%	0		
Cooper Drive	Inpatient Psych		5,560	37	28	0%	0		
Cooper Drive	Inpatient Dom		0	0	0	0%			
Cooper Drive	Inpatient NHCU		112	0	0	0%			
Cooper Drive	Inpatient PRRT		0	0	0	0%			
Cooper Drive	Inpatient SCI		0	0	0	0%			
Cooper Drive	Inpatient BRC		0	0	0	0%			
Cooper Drive	Outpatient Primary Care	-	59,161	90,542	74,370	9%	2007	Berea Staffed CBOC	0%
Cooper Drive	Outpatient Primary Care	-	59,161	90,542	74,370	8%	2004	Morehead Staffed CBOC	0%
Cooper Drive	Outpatient Primary Care	-	59,161	90,542	74,370	3%	2004	Hazard Contract CBOC	100%
Cooper Drive	Outpatient Primary Care	-	59,161	90,542	74,370	5%	2006	Somerset Staffed CBOC	0%
Cooper Drive	Outpatient Specialty Care	-	76,797	100,835	86,846	0%			
Cooper Drive	Outpatient Mental Health	-	1,434	16,280	12,895	20%	2007	Berea Staffed CBOC	0%
Cooper Drive	Outpatient Mental Health	-	1,434	16,280	12,895	15%	2005	Morehead Staffed CBOC	0%
Cooper Drive	Outpatient Mental Health	-	1,434	16,280	12,895	10%	2004	Hazard Contract CBOC	100%
Cooper Drive	Outpatient Mental Health	-	1,434	16,280	12,895	5%	2006	Somerset Staffed CBOC	0%
Cooper Drive	Ancillary & Diagnostics	-	124,173	138,172	126,911	0%			

Provide a narrative that summarizes the information in the table.

The option table outlines elements common among them. First, Community Based Outpatient clinics at Berea, Morehead, Hazard and Somerset would have outpatient primary care and mental health workload distributed to them based on current utilization rates for the counties involved. This is consistent with recommendations in the original Northern Market plan. Second, inpatient acute and long-term care services would be realigned to the Cooper Drive Division and workload distributed to this site with a percentage of excess demand from counties between Louisville and Lexington being absorbed with the new construction at the Cooper Drive facility. Workload distributions for outpatient primary care and mental health remain the same in both alternatives. Some minor deviation exists in the distribution of some outpatient workload to the existing Somerset CBOC under alternative 2. The two additional alternatives reviewed included status quo and the original VISN 9 Northern Market plan.

The table below compares and contrasts the three non status quo options.

FUNCTION	Alternative 1 Consolidation to Cooper Drive/National Plan	Market Plan Consolidation to Leestown-Market Plan	Alternative 2 Consolidation 24x7 to Cooper and Outpatient to Leestown
Inpatient Medicine	Consolidate all beds to Cooper Drive.	Construct new space and absorb demand in Cooper Drive	Same as 1
Inpatient Surgery	Consolidate all beds to Cooper Drive	Construct new space and absorb 12% demand at Cooper Drive	Same as 1
Acute Inpatient Psychiatry	Consolidate all beds to Cooper Drive.	Construct new space and absorb 12% demand at Cooper drive	Same as 1

Long-Term Psychiatry	Address demand at proposed new construction at Cooper Drive site. Potential interim EU with Eastern State.	Same as 1	Same As 1
Nursing Home	Consolidate current 61 beds to Cooper Drive and Continue to contract beds in the community.	Retain current 61 beds at Leestown and continue to contract excess demand in community.	Same As 1
Primary Care Outpatient Mental Health	Maintain existing access points in Lexington and Somerset. Create new access points in Hazard, Berea, and Morehead. Reallocate workload to right size all access points.	Consolidate Primary Care and Outpatient Mental Health at Leestown and Create new access points in Hazard, Berea, and Morehead. Reallocate workload to right size all access points.	Same as 2
Outpatient Specialty	Provide selected specialty services in-house in Cooper Drive. Contract specialty services that can be obtained cost-effectively within the community in Lexington, Somerset, Hazard, Morehead and Berea.	Provide selected specialty services in-house in Leestown. Contract specialty services that can be obtained cost-effectively within the community in Lexington, Somerset, Hazard, Morehead and Berea.	Same as 1
Ancillary/Diagnostic	Consolidate at Cooper Drive	Consolidate at Leestown Division.	Same as 1
Infrastructure Requirements Equipment Requirements	Requires major construction at Cooper Drive and divestiture of Leestown. Will most likely require additional parking garage and shuttles service to address parking issue. Requires capital expenditure for additional and replacement equipment.	Requires new major construction at Leestown and divestiture of Cooper Drive. Requires capital expenditure to equip the new ambulatory care center.	Requires minor renovations projects at Cooper Drive Division and major ambulatory care project at Leestown, renovation of existing buildings for movement of administrative and support functions. Requires capital expenditure to equip the new ambulatory care center.
Enhanced-Use Lease Opportunity	None	Enhanced-use with Eastern State for acute and long-term psychiatry services (238 beds); Kentucky Department of Veterans Affairs for a 60-80 bed domiciliary; and a 40 bed Transition/Homeless Shelter in conjunction with Volunteers of America. Demolition of unusable buildings.	Same As 2
Administrative Alignment	Realign to selected service to Leestown Division.	Same as 1	Same as 1

Travel times

CARES Category (Dom, Specialty Care or NHCU)	County Name (With 50% or more of the workload)	Leestown FY 2012 Workload (BDOC)	Travel time from County to Leestown (minutes)	Weighted travel to Leestown	Workload to be transferred to Cooper Drive	Travel Time from County to Cooper Drive (minutes)
Specialty Care	FAYETTE (21067)	4,858	9	43,725	4,858	9
Specialty Care	MADISON (21151)	1,316	38	50,010	1,316	37
Specialty Care	PULASKI (21199)	1,062	98	104,094	1,062	97
Specialty Care	LAUREL (21125)	839	83	69,636	839	82
Specialty Care	FRANKLIN (21073)	811	33	26,776	811	44
Specialty Care	CLARK (21049)	771	33	25,429	771	35
Specialty Care	JESSAMINE (21113)	739	23	16,991	739	22
Specialty Care	WHITLEY (21235)	666	105	69,961	666	104
Specialty Care	SCOTT (21209)	616	26	16,022	616	33
Specialty Care	BOYLE (21021)	481	59	28,399	481	64
	Weighted AVERAGE		37			38
NHCU	FAYETTE (21067)	3,185	9	28,665	3,185	9
NHCU	PIKE (21195)	1,542	83	127,986	1,542	82
NHCU	PULASKI (21199)	1,088	98	106,624	1,088	97
NHCU	JESSAMINE (21113)	1,024	23	23,552	1,024	22
NHCU	MADISON (21151)	756	38	28,728	756	37
NHCU	LAUREL (21125)	651	83	54,033	651	82
NHCU	TAYLOR (21217)	573	83	47,559	573	82

NHCU	CLARK (21049)	535	33	17,655	535	35
	Weighted AVERAGE		46			46

Alternate # 1	Lexington-Leestown	
Type	Current Access %	New Access %
Primary Care	74%	74%
Acute Care	88%	69%

Provide a narrative to summarize the results on travel times for the different services provided.

The impact on travel times associated with the consolidation of inpatient and NHCU activities at the Cooper Drive Division as well as the movement of mental health services and administrative functions from the Leestown Rd. Division are negligible given the 5-mile distance between the two facilities. Current travel times for specialty care services will remain longer than desired, given the rural nature of the market area, but some remediation will be done by adding specialty capacity at the existing Somerset CBOC in Pulaski County - this will also impact Laurel County.

Current physical condition of the realignment site and patient safety

Number of vacant and occupied buildings and their average age.

Currently there are 11 vacant buildings on the Leestown Rd. campus and none at the Cooper Drive Division. The majority of Leestown Rd. Division buildings date back between 1931 to 1948. The Cooper Drive facility was built in 1973 and the clinical addition added in 1989.

The beds that the campus was originally intended for versus current levels.

Leestown Road Division originally planned for 700 long-term beds versus 61 NHCU beds today and Cooper Drive Division for 370 acute beds versus current 110 beds.

Square feet in vacant buildings.

At the Leestown Road Division there are approximately 200,000 square feet vacant; and at Cooper Drive approximately 6,800 square feet are vacant.

Campus acreage.

Leestown Division has approximately 135 acres and Cooper Drive Division has approximately 5 acres.

Summary of facility condition scores by patient care and administrative services.

Actual facility condition assessment service level scores are noted below. Scores for both divisions range in the average mid 3's. Cooper Drive facilities are good with need for renovation in Medicine and Psychiatry. Leestown Road buildings, many which are vintage 1930 and 1940, are currently in use and are in good condition though there are a number of buildings, which are vacant with low scores.

CARES Space and Functional Score**Station Number: 596****Lexington, Leestown**

Mental Health	14,639	3.25
Primary Care	11,071	3.74
Specialty Care	10,198	3.75
Intermediate Med/NHCU	26,630	3.27
Administration	106,420	3.54

Station Number: 880**Lexington, Cooper Drive**

Ancillary/Diagnostic	53,024	3.75
Primary Care	27,865	3.60
Specialty Care	99,168	3.79
Medicine	24,179	2.87
Psychiatry	8,505	2.75
Surgery	11,014	3.64
Administration	97,313	3.65
Research	40,616	3.99

Lexington Workload Demand:

	Leestown 2012	Leestown 2022	Cooper Drive 2012	Cooper Drive 2022	Lexington Total 2012	Lexington Total 2022
Outpatient (Stops)						
Ancillary/Diagnostic	27,543	25,026	138,172	126,911	165,715	151,937
Mental Health	30,652	24,482	16,280	12,895	46,932	37,377
Primary Care	28,755	23,431	90,542	74,370	119,297	97,801
Specialty Care	29,458	25,494	100,835	86,846	130,293	112,340
Inpatient (BDOC)						
Medicine	92	74	23,941	18,435	24,033	18,509
Surgical	6	5	11,389	8,692	11,395	8,697
Psychiatry	0	0	11,515	8,740	11,515	8,740
Nursing Home Care	80665	80665	0	0	80665	80,665

CARES Construction Cost Factors (Lexington Specific):

Cooper Drive 800 Space Parking Garage (Patient Overflow/VAMC Staff)

Summary of the cost to meet critical deficiencies in current space.

Capital Cost Summary	Status Quo	Original Market Plan	100% Contract	Alt 1	Alt 2
Facility Being Reviewed: Lexington					
New Construction	-	-	0	\$ 0	\$6,309,825
Renovation	-	\$ 4,553,249	0	\$ 0	\$666,999
Total	-	\$ 4,553,249	0	\$ 0	\$6,976,824
Receiving Facility 1: Lexington - Cooper Division					
New Construction	-	-	0	\$ 18,515,526	\$ 0
Renovation	-	\$ 179,297	\$2,701,487	\$ 4,228,932	\$7,057,548
Total	-	\$ 179,297	\$2,701,487	\$ 18,019,419	\$ 7,057,548

Lexington Total	\$4,732,546	\$2,701,487	\$22,744,458	\$14,034,372
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Operating Cost Summary	Status Quo	Original Market Plan	100% Contract	Alt 1	Alt 2
Facility Being Reviewed: Lexington					
Operating Costs	\$ 651,875,683	\$ 645,026,442	\$571,289,059	\$157,373,780	\$ 354,450,965
Receiving Facility 2: Lexington - Cooper Division					
Operating Costs	\$ 2,010,299,265	\$ 1,634,126,476	\$1,739,780,109	\$ 2,434,297,261	\$ 1,895,719,587

Life Cycle Costs	Status Quo (Plus capital)	Original Market Plan	100% Contract	Alt 1	Alt 2
Facility Being Reviewed: Lexington					
Recurring	\$651,875,686	\$ 632,711,804	\$571,289,059	\$157,373,780	\$ 354,450,965
Non Recurring	\$ 41,209,727	\$ 6,179,134	-\$41,871,304	-\$41,871,304	\$ -31,644,216
Total	\$693,085,413	\$638,890,938	\$529,417,755	\$115,502,476	\$322,806,749
Receiving Facility 2: Lexington - Cooper Division					
Recurring	\$ 2,010,299,265	\$ 1,624,634,259	\$1,739,780,109	\$2,434,297,261	\$ 1,895,719,587
Non Recurring	\$ 74,560,351	\$ 615,714	\$2,701,487	\$26,153,843	\$ 7,057,548
Total	\$2,084,859,616	\$1,625,249,973	\$1,742,481,596	\$2,460,451,104	\$1,902,777,135
TOTAL	\$2,777,945,029	\$2,264,140,911	\$2,271,899,351	\$2,575,953,580	\$2,225,583,884

Net Present Value	Status Quo	Original Market Plan	100% Contract	Alt 1	Alt 2
Facility Being Reviewed: Lexington					
Recurring	-	\$19,163,882	\$80,586,627	\$494,501,906	\$ 297,424,721
Non Recurring	-	\$ 35,030,593	\$83,081,031	\$ 83,081,031	\$ 72,853,943
Total	-	\$54,194,475	\$163,667,658	\$577,582,937	\$370,278,664
Receiving Facility 1: Lexington - Cooper Division					
Recurring	-	\$ 385,665,006	\$270,519,156	\$ -423,997,996	\$114,579,678
Non Recurring	-	\$ 73,944,637	\$71,858,864	\$48,406,508	\$ 67,502,803
Total	-	\$459,609,643	\$342,378,020	-\$375,591,488	\$182,082,481
Totals	0	\$513,804,118	\$506,045,678	\$201,991,449	\$552,361,145

Valuation data for campus re-use.

AEW Capital management Evaluations were as follows:

Lexington Leestown Division- Market Valuation Land Value	\$4,600,000
Lexington Leestown Division –Existing Use Land Valuation	\$4,900,000
Lexington Leestown Division-Existing use Land and Buildings Value	\$141,000,000
Lexington Cooper Drive Division-Market Valuation Land Value	\$5,100,000
Lexington Cooper Drive Division-Existing Use Land Valuation	\$7,300,000
Lexington Cooper Drive Division-Existing Use Land and Building Value	\$131,000,000
Potential re use Leestown Division is Industrial	

Potential re-use Cooper Drive is Special Use-University Building or Hospital. Significant issues include the Cooper Drive Division being surrounded by the University of Kentucky campus and adjacent the University of Kentucky Hospital. Major issue at the Leestown Rd. Division is it's location in a predominantly industrial area with some public use facilities, a prison and a school in the area.

Cost to Correct Facility Deficiencies:

Cooper Drive: Estimated at \$8,886,970 GSF 771,061

Leestown Active Buildings: \$10,000,530 GSF 708,098

Impact considerations:

Implementation of the proposed alternative will require impact planning and considerations to include phasing of new construction and renovation projects, development of either swing space, at Cooper Drive or Leestown Road, and/or interim contract for services that will be shut down during construction/renovation. Parking is a significant issue at the Cooper Drive facility with little potential for arrangements for additional parking in the immediate area. Consideration would be given to development of an extensive parking and shuttle plan between the Leestown Rd. Division and the Cooper Drive Division, which are 5 miles apart, during any construction that would impact facility access.

Provide a narrative justifying the preferred alternative.

The option recommended was selected based on factors related to quality, access and cost. Additional consideration was given to impact on patient satisfaction, impact on employees, research activities as well as educational affiliations. Consolidation of inpatient and nursing home care, as well as outpatient specialty, primary care, mental health and ancillary/diagnostic services at Cooper drive will result in improved coordination of care, one stop access for veterans, continuation of educational affiliations, reduction of recurring maintenance cost for a two-campus operation, revenue generation from enhanced use, reduction of cost to maintain much of the underutilized and outdated infrastructure at Leestown. Inclusion of new community-based clinics with primary and mental health services will improve veteran access to care, patient satisfaction, reduce travel times and identify clinical issues early thus decreasing incidents of hospitalization. All alternatives, with exception of the contracting out option, result in requirements for additional staff based on projected demand and development of staffed community based clinics. The estimated capital outlay for this proposal is almost twenty three million at Lexington, with no expense on the Leestown campus. This alternative is more than alternative two, which has a capital cost of approximately fourteen million with seven million at Leestown and seven million at Cooper Drive. While both alternatives are greater than the original market plan or one hundred percent contract their long term viability as seen in life cycle and net present values are better.

Development of a single campus operation allows for, greater opportunity of operational efficiencies, more efficient infrastructure controls-cost and greater opportunity for clinical efficiencies. Status quo results in continued cost to operate two twenty-four hour seven day a week operations, patient dissatisfaction with parking, fragmentation of inpatient delivery and inadequate facilities and delivery systems to meet projected demand for services. Contracting out 100% of the Leestown Rd. Division workload results in a

relatively small uninflated annual difference from the two primary options and higher cycle cost. While this difference may appear small and there is community potential to contract out acute medicine and surgery workload, the ability to contract out psychiatry workload, which accounts for a large percentage of the difference, is limited and unlikely. The other major area of cost differential is in acute medicine and consideration was given to the impact on educational affiliation, ability to incorporate performance measure requirements, infrastructure cost to link CPRS as well as maintain contract quality and performance monitors. VISN 9 has direct experience related to unanticipated additional cost in contracting out acute services in Tennessee and the unaccounted for infrastructure cost, potential for contract escalations, customer service and quality issues would diminish any contract savings.

The two options with significant potential to improve access, quality and patient satisfaction as well as generate revenue and reduce operational cost were the option articulated in the National Plan to consolidate all activity at Cooper Drive and divest Leestown Road, and the VISN option 2 to consolidate twenty-four hour operations at Cooper Drive and ambulatory care operations at Leestown Road. Capital outlays for the national Option is approximately twenty three million versus new VISN option which is approximately fourteen million. Comparative elements between the two primary options which differential them and support the proposed options are a single-site access, quality of care opportunities, coordination of care and educational affiliation opportunities. The alternative, to consolidate all activities, having the greatest potential to ensure coordination of care, continuations of educational affiliations and flexibility in meeting future demand.

Timeline For Option Implementation

Planning Initiative	Begin Date	Completion Date
DVA Secretary's Decision		January 01, 2004
Negotiations with the Commonwealth of Kentucky concerning multiple enhanced use and collaborative opportunities or turn property to be divested over to GSA.	January 2004	January 2005
Planning and eventual closure of Nursing Home beds on the Leestown campus.	January 2005	January 2008
Planning and design approvals for construction and renovation of Cooper Drive.	January 2004	July 2005
Funding of new construction or renovation project	No earlier than FY06 budget	No later than FY08 budget
Construction of new space and parking at Cooper Drive.	Dependent on Budget Cycle Approval	Occupy 18-24 months following commencement of construction, no later than January 2011.
Plan and initiate the delivery of services in Berea, Hazard, and Morehead.	January 2004	January 2006
Plan and initiate offloading of excess inpatient demand.	January 2005	January 2011.

Additional Considerations:

Land acquisition: No land will be acquired but proposed staffed CBOC's will require leases estimated to be between 6,000 – 12,000square feet.

Parking Lot/Garage Cost: Cooper Drive estimates include development of an 800-space parking facility and potential of development of shuttle service.

Additional Transportation Cost: Shuttle van between Leestown Road and Cooper Drive during construction and renovation stages.

Transportation Savings: None projected

Elimination of current Lease: None projected

Cost to Demolish Buildings: Leestown Campus plans to demolish 36,000 square feet at \$4.51 sq. ft. plus \$4.22 haul and dump fee total of \$314,280.

Enhanced Use: Leestown Rd. approximately 190,000 square feet at estimated profit, dependent on negotiations and exchange of services, of \$2,000,000 annually.

Economies of Scale: Cooper Drive consolidation of acute and long-term care beds savings in staff coverage \$204,000.

Interim Contract Cost: Excess inpatient demand, specialty care services.

Human resources impact

Additional resources will be necessary to realign services and no significant reduction in FTEE is anticipated given the projected increasing demand for services. These costs will be recurring expenses and are necessary to accomplish the realignment. The magnitude of the dollars required is unknown. Some adjustment to the types and mix of employees will be necessary to address the clinical demand in specialty and ancillary/diagnostic services. Movement of the nursing home care facility from Leestown Road to Cooper Drive may also necessitate movement of the food preparation activities from Leestown Road to Cooper Drive.

The cumulative Lexington FTEE level through April 2003 is 1,225. The average salary cost is \$68,469, and includes benefit costs.

The direct FTEE allocated to the Leestown Nursing Home is 40.7.

The direct FTEE allocated to Food Production on the Leestown campus is 7.84.

Strategies to reduce employment levels other than by RIF are as follows:

Buy-out authority will be requested to assist with staffing level reduction.

Early retirement authority will also be requested to reduce levels.

Attrition

Reassignment/transfer to services that will be maintained in Lexington.

Patient care issues and specialized programs

Outpatient Mental Health Services

The inclusion of a specified level of Mental Health services are planned for all primary care access points per the standardized VISN 9 approach to the delivery of MH services. The approach is consistent with VHA mental health initiatives and will provide access points for mental health counseling as well as psychiatric medication evaluation and management.

The Lexington Outpatient Mental Health services will be consolidated at the Leestown Road Division along with proposed CBOC's. The VISN 9 plan entails delivery at four levels of intensity:

Level 1

Level 1 services are to be provided at VA medical centers and are proposed to include a full array of inpatient and outpatient mental health services inclusive of specialized services. Level 1 outpatient services delivered in-house in Leestown. Level 1 inpatient services will be managed in the following ways in the Lexington market:

- Baseline Inpatient Acute and chronic capacity maintained at Cooper Drive or provided as part of an enhanced-use lease with Eastern State Hospital.

Level 2

Level 2 services are to be provided at large VA staffed outpatient clinics such as Leestown OPC and Somerset. These services are the outpatient component of a Level 1 facility.

Patients requiring inpatient treatment would be referred to a Level 1 site of care or contracted. Lexington is planned to be a Level 2 facility.

Level 3

Level 3 services are to be provided in mid-sized CBOC's. A non-physician mental health clinician such as a psychologist, nurse practitioner or social worker is the suggested provider of service. It is proposed to have the capability to perform routine screenings and counseling services. Medication treatment with a psychiatrist will be available via telemedicine from a Level 1 site. Patients requiring specialty treatment would be referred to a Level 1 site of care.

Level 4

Level four services are to be provided at small CBOC's. It is suggested that a non-physician mental health clinician rotate through these clinics at a frequency determined by workload and need. Services would be limited to screening exams. Medication evaluation and management are to be available via telemedicine from a Level 1 site. Patients requiring specialty treatment would be referred to a Level 1 site of care.

Specialty Services

The strategy is to provide selected outpatient specialty services in-house at the Cooper Drive Division and contract the demand that cannot be met in house. Specialties to be provided in-house will likely parallel the services currently provided. The final configuration is dependent upon availability of contract services in the community, differences in the case mix, and other factors unique to the Lexington market. Some of the proposed primary care access points within the Lexington market will have limited specialty services available in the community that are potential contracting opportunities. The availability of services presents the potential for contracting in a Medicare HMO type arrangement that may prove to be optimally cost-effective.

Ancillary/Diagnostic Services

The strategy is to maintain selected diagnostic services that are deemed cost-effective and/or directly support in-house patient care at the Cooper Drive Division. Demand in outlying areas may be provided by contractual arrangements.

The inventory and scope of ancillary services that are provided in-house will likely mirror those currently provided at Lexington VAMC.

Impact on Research and Academic Affairs

Positive impact in alignment of inpatient acute and nursing home care services as well as all outpatient functions in same building will allow increased educational opportunities and research and education collaborations in continuity of care.

Reuse of the Realigned Campus:

Enhanced-Use Lease Opportunities

There are multiple enhanced-use opportunities for the Leestown Rd. campus. Preliminary discussions have occurred in regard to deciding whether to maintain ownership and lease existing buildings or to sell existing buildings. The following entities are interested in the Leestown property:

Eastern State Hospital

Desires four buildings to operate 238 beds to provide acute and long-term psychiatric services. Eastern State is also interested in a fifth building for office/administrative space. Eastern has historically averaged a daily census of 170 beds and has excess capacity. This provides multiple opportunities for VHA to collaborate with Eastern State to provide services for veterans. VHA could contract directly with, or operate an in-house ward in conjunction with Eastern State. The attractiveness to VA is the potential to provide long-term psychiatric services for the entire VISN 9 North Market on the Leestown Rd. campus in collaboration with Eastern State. Preliminary cost estimates project a \$2-3 million profit if the buildings are leased. Eastern State is also interested in purchasing other services such as a food, security and housekeeping, which would maintain VA jobs and produce an additional revenue stream.

Kentucky Department of Veterans Affairs

Desires to operate a 60-80 bed domiciliary and a 40-bed transition/homeless shelter.

These projects would each require the lease of a separate building.

The Kentucky DVA also desires to purchase additional services from VA that would provide yet another revenue stream. Revenue streams from the lease of buildings and purchased services from these two projects is unknown now. Estimated profit from the lease of the buildings is \$7 per square foot and includes costs to maintain the property.

Option Summary – Lexington VA Medical Center-VISN 9

Lexington VAMC Preferred alternative description and rationale:	The preferred alternative is the development of a single campus operation at Cooper drive and the pursuit of enhanced use opportunities for the Leestown division. Consolidation of VA directly provided health care services to one campus should result in better coordination of care, improved quality and savings related to economies of scale as well as elimination of cost associated with two campus operation. Additional revenue opportunities should also be presented through the enhanced use initiatives on the Leestown division. Capital generated by savings, cost avoidance and additional revenue will be directed to direct provision of health care services.				
	Status Quo	Original Market Plan	100% Contract	Alternate # 1	Alternate # 2
Short Description:	Status quo would consist of continue the two division operation of the	Original market plan proposed contracting out of inpatient acute care, some		Proposed alternative consist of the development of a major construction project to renovate existing space, construct	Proposed alternative consist of retaining operations at both the Cooper Drive and Leestown divisions with consolidation of 24x7

	Lexington VAMC. The Cooper drive division would remain the site of acute medicine, surgery and psychiatry care as well as outpatient Specialty, Ancillary/Diagnostic and Primary Care services. The Leestown division would continue to be the site of Nursing Home Care Unit, Outpatient Mental Health,, some primary care and administrative/support function. Continue operations with only one CBOC at Somerset Kentucky.	outpatient specialty care and consolidating the remainder of outpatient specialty, ancillary/diagnostic, mental health and primary care at the Leestown division with eventual divestiture of the Cooper Drive Division. Addition of CBOC's at Berea, Hazard and Morehead Kentucky.		two additional floors and add an 800 space parking facility at the Cooper Drive division Discontinue all VA operations at the Leestown division and pursue enhanced use program with the Commonwealth of Kentucky for select space at Leestown. Unused space would be demolished or divested as appropriate. Development of CBOC's at Berea, Hazard and Morehead Kentucky.	operations to one campus at Cooper Drive and movement of the Leestown division to a five day a week operation. Development of Cooper drive for acute inpatient and nursing home care services as well as outpatient specialty and ancillary/diagnostic services. Development of an ambulatory care center at Leestown and the movement of outpatient primary care and mental health services to Leestown along with select administrative and support functions. Development of CBOC's at Berea, Morehead and Hazard Kentucky.
Total Construction Costs		Estimated at approximately \$4.7 million at Lexington	Estimated at \$2.7 million for Lexington	Estimated as approximately \$23 million Lexington	Estimated at approximately \$14 million Lexington
Life Cycle Costs	\$2,777,945,029	\$ 2,264,140,911	\$2,271,899,351	\$2,575,953,580	\$2,225,583,884
Impact on Access	No change in Access	Improved access to care at single campus operation and with implementation of CBOC's	Access is community specific may be improved	Improved access to care at single campus operation and with implementation of CBOC's	Improved access to care at site specific facilities, inpatient-outpatient, and with implementation of CBOC's
Impact on Quality	No Change	Potential exist for improvement in continuity of care and quality with single site operation.	Less Control	Potential exist for improvement in continuity of care and quality with single site operation.	Potential exist for improvement in continuity of care and quality with functional centralization of inpatient to and outpatient to single site operations.
Impact on Staffing & Community	No Change	Loss of staffing with use of contract for inpatient care. Increased reliance on community for services.	Negative on Staffing Positive Economic in Community	No substantial impact on staffing and some increase to meet CBOC demand.	No substantial impact on staffing and some increase to meet CBOC demand.
Impact on Research and Education	No Change	Negative-Discontinue current affiliation	Negative-Discontinue current	Potential exist for improved educational and research activities with	Potential exist for improved educational and research activities with specific

		activities	affiliation activities	functions centralized to one site.	inpatient and outpatient functions centralized to individual site.
Optimizing Use of Resources	None	Resource utilization is highly dependent on ability to sell Cooper Drive and negotiate reasonable local contracts.	Dollar difference is slightly over 2% but risk for stability of contract is high	Centralization of resources, staff, facilities, equipment will provide for greater efficiencies and opportunities for cost avoidance.	Opportunity for improved use of facility and equipment resources through reduction of twenty four hour operations to one site and conversion of the other site to a five day operation.
Support other Missions of VA	Fully supports VA mission	Fully supports VA mission	Does not well support teaching, research or DOD components	Fully supports VA mission	Fully supports VA mission
Other significant considerations	Current infrastructure not able to meet increasing patient service demand .	Significant issues with potential divestiture of Cooper Drive facility which is landlocked by University of Kentucky as well as ability to negotiate contracts for inpatient services.	Contractual cost subject to health care environmental issues and less stable over time. Ability to ensure quality and meet expected performance is a concern	Proposal highly dependent on ability to design additional space within current footprint since no additional land is available for new construction. Customer satisfaction will be highly dependent on additional parking structure. Potential for clinical efficiencies and improvements will require close development with affiliate.	Proposal does not fully address cost related to two campus but does diminish some impact through reduce the number of twenty four hour operations. Space for new construction and parking are not significant issues. Enhanced use and property divestiture are significant components. Stakeholders would see maintaining both sites as positive.